

SENATE BILL NO. 484

INTRODUCED BY J. BALYEAT

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A MINIMUM AGE AT WHICH A MEMBER NEW TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN OR THE TEACHERS' RETIREMENT SYSTEM IS ELIGIBLE FOR SERVICE RETIREMENT BENEFITS OR EARLY RETIREMENT BENEFITS; AMENDING SECTIONS 19-3-901, 19-3-902, 19-3-906, 19-20-801, AND 19-20-802, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-3-901, MCA, is amended to read:

"19-3-901. Eligibility for service retirement. (1) (a) A member who was a member before [the effective date of this act] and who has attained the age of 60 and has 5 years of membership service is eligible for service retirement. A member who has attained age 65 while employed in a position covered by a public employees' retirement system is eligible for service retirement regardless of the member's years of membership service.

(b) A member who was a member before [the effective date of this act] and who has 30 years or more of membership service is eligible for service retirement regardless of the member's age.

(c) A vested member who became a member on or after [the effective date of this act] and who has attained age 65 is eligible for service retirement.

(2) In each of the circumstances described in subsection (1), the member has attained normal retirement age."

Section 2. Section 19-3-902, MCA, is amended to read:

"19-3-902. Eligibility for early retirement. (1) A member who was a member before [the effective date of this act] and who is not eligible for service retirement is eligible for early retirement if the member:

(a) is not eligible for service retirement but has attained age 50 and has 5 years of membership service is eligible for early retirement. A member who; or

(b) has completed 25 years or more of membership service is eligible for early retirement.

(2) A member who became a member on or after [the effective date of this act] who is not eligible for

1 service retirement but has attained age 50 and has 5 years of membership service is eligible for early retirement."

2
3 **Section 3.** Section 19-3-906, MCA, is amended to read:

4 **"19-3-906. Early retirement benefit.** (1) The amount of retirement benefit payable to a member who
5 was a member before [the effective date of this act] following early retirement is the actuarial equivalent of the
6 accrued portion of the service retirement benefit that would have been payable to the member commencing at
7 age 60 or upon completion of 30 years of membership service pursuant to 19-3-904.

8 (2) The early retirement benefit of a member who was a member before [the effective date of this act]
9 must be determined as prescribed in 19-3-904, with the exception that the benefit must be reduced as follows:

10 (a) by 1/2 of 1% multiplied by the number of months up to a maximum of 60 months by which the
11 retirement date precedes the date on which the member would have retired had the member attained 60 years
12 of age or had the member completed 30 years of membership service; and

13 (b) by 3/10 of 1% multiplied by the number of months in excess of the 60 months in subsection (2)(a)
14 but not to exceed 60 additional months that the retirement date precedes the date on which the member would
15 have retired had the member attained 60 years of age or had the member completed 30 years of membership
16 service.

17 (3) The early retirement benefit of a member who became a member on or after [the effective date of
18 this act] must be determined as prescribed in 19-3-904, with the exception that the benefit must be reduced as
19 follows:

20 (a) by 1/2 of 1% multiplied by the number of months up to a maximum of 60 months by which the
21 retirement date precedes the date on which the member would have retired had the member attained 65 years
22 of age; and

23 (b) by 3/10 of 1% multiplied by the number of months in excess of the 60 months in subsection (3)(a)
24 that the retirement date precedes the date on which the member would have retired had the member attained
25 65 years of age.

26 ~~(3)~~(4) The actuarial reduction provided for in this section must be adjusted for any additional service
27 credit purchased under 19-3-513."

28
29 **Section 4.** Section 19-20-801, MCA, is amended to read:

30 **"19-20-801. Eligibility for service retirement. (1)** A member who was a member before [the effective

1 date of this act] and who has at least 5 full years of creditable service and who has attained the age of 60 or has
2 been credited with full-time or part-time creditable service in 25 or more years may retire from service if the
3 member has terminated employment in all positions from which the member is eligible to retire and files with the
4 retirement board a written application.

5 (2) A member who became a member on or after [the effective date of this act], who has at least 5 full
6 years of creditable service, and who has attained the age of 65 may retire from service if the member has
7 terminated employment in all positions from which the member is eligible to retire and files with the retirement
8 board a written application."

9
10 **Section 5.** Section 19-20-802, MCA, is amended to read:

11 **"19-20-802. Early retirement.** (1) A member who is not eligible for service retirement pursuant to
12 19-20-801 but who has at least 5 years of creditable service and who has attained the age of 50 may retire from
13 service and be eligible for an early retirement allowance if the member files with the retirement board the
14 member's written application.

15 (2) The early retirement allowance of a member who was a member before [the effective date of this act]
16 must be determined as prescribed in 19-20-804 and section 5, Chapter 549, Laws of 1981, with the exception
17 that the allowance will be reduced as follows:

18 (a) by 1/2 of 1% multiplied by the number of months up to a maximum of 60 months by which the
19 retirement date precedes the date on which the member would have retired had the member attained 60 years
20 of age or had the member completed 25 years of creditable service; and

21 (b) by 3/10 of 1% multiplied by the number of months in excess of the 60 months in subsection (2)(a)
22 but not to exceed 60 additional months that the retirement date precedes the date on which the member would
23 have retired had the member attained 60 years of age or had the member completed 25 years of creditable
24 service.

25 (3) The early retirement allowance of a member who became a member on or after [the effective date
26 of this act] must be determined as prescribed in 19-20-804, with the exception that the allowance will be reduced
27 as follows:

28 (a) by 1/2 of 1% multiplied by the number of months up to a maximum of 60 months by which the
29 retirement date precedes the date on which the member would have retired had the member attained 65 years
30 of age; and

1 (b) by 3/10 of 1% multiplied by the number of months in excess of the 60 months in subsection (3)(a)
2 that the retirement date precedes the date on which the member would have retired had the member attained
3 65 years of age."

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5 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2009.

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